

2003**Real Estate Withholding Installment
Sale Agreement****593-I****Part I – Buyer's Information**

Return this form to your escrow company.

Name (include spouse, if applicable – see instructions – type or print)		TAX ID NUMBER																					
		Social security number																					
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Mailing address (Street, City, State, ZIP Code)	Private Mailbox no.	Spouse's social security number (if applicable)																					
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Property		Note: If you do not furnish your tax ID number, this certificate is void.																					
		Ownership percentage																					

Part II – Seller's Information

Name (include spouse, if applicable – see instructions – type or print)		Social security number																					
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Mailing address (Street, City, State, ZIP Code)	Private Mailbox no.	Note: If you do not furnish the seller's tax ID number, this certificate is void.																					

Part III – Installment Agreement

Attach a copy of the signed promissory note (showing the installment payment requirement) to this form.

Part IV – Buyer's Agreement to Withhold

Under penalties of perjury, I hereby agree to withhold on each payment for the above shown California real property to the above seller at the rate of 3 1/3 percent of each payment. I will complete Form 597, *Real Estate Withholding Tax Statement*, for each payment and send one copy to the Franchise Tax Board with the withholding and give two copies to the seller. I will send each withholding payment by the 20th day of the month following the month of the installment payment. If the terms of the installment sale, promissory note, or payment schedule change, I will promptly inform the Franchise Tax Board. I understand that completing and signing this form will subject me to withholding penalties if withholding is not done on each payment.

Buyer's name (or buyer's agent if buyer is not an individual) and title (type or print) _____

Buyer's spouse's name (if on title) _____

Buyer's signature _____ Date: _____

Buyer's spouse's signature (if applicable) _____ Date _____

Buyer: If you sign this agreement, make a copy of this form. Make sure you copy the back so you will have the instructions for withholding on subsequent payments. Give the original, with a copy of the promissory note, to your escrow officer. Your escrow officer will withhold on the down payment. You must withhold on all subsequent payments. If you choose not to sign this agreement, instruct your escrow officer to withhold the full 3 1/3 percent of the total sales price. You will not have a withholding requirement on subsequent installment payments.

Escrow Officer: If this is an installment sale and the buyer has agreed to withhold on each payment instead of withholding on the full amount at the time of transfer, withhold only on the down payment in escrow. Refer to the Form 597 instructions for further information. Make a copy of this form for your records. Attach the original Form 593-I and a copy of the promissory note to Copy A of Form 597, and send to FTB with the withholding on the down payment.

Instructions for Form 593-I

Real Estate Withholding Installment Sale Agreement

Purpose

When an individual sells California real estate on an installment basis, the buyer must withhold $3\frac{1}{3}$ percent of the total sales price. The buyer must withhold the full amount at the time of sale unless the buyer chooses to withhold $3\frac{1}{3}$ percent of each payment. It is solely the buyer's decision whether to withhold on each payment or to withhold the full amount at the time of transfer.

If you are the buyer and wish to withhold on each payment, complete Form 593-I and have your escrow officer send it to the Franchise Tax Board with the withholding on the down payment and Form 597, *Real Estate Withholding Tax Statement*. If you do not complete a Form 593-I and send it to us, the full $3\frac{1}{3}$ percent of the total sales price is due by the 20th day of the month following the month of the close of escrow.

If you are the buyer and you do not wish to withhold on each payment, then you do not need to complete this form. Instruct your escrow officer to withhold the full $3\frac{1}{3}$ percent of the total sales price. You will not have a withholding requirement on subsequent installment payments.

Buyer Instructions

Complete all four parts of Form 593-I.

Part I

Enter your name as shown on the escrow instructions. Each buyer wishing to withhold on individual payments instead of withholding the full amount at the time of sale must complete a separate Form 593-I. However, if you are purchasing the property with your spouse and both of you will be on the promissory note, then include both of your names, social security numbers, and signatures on one form. You must include your taxpayer identification number (social security number if an individual) for the agreement to be valid.

Part II

Enter the seller's name as shown on the escrow instructions. Use a separate Form 593-I for each seller included on the promissory note. However, if the sellers are husband and wife and both of them will be on the promissory note, then include both of their names and social security numbers on one form. The seller's tax identification number (social security number if an individual) is required for the agreement to be valid.

Part III

You must attach a copy of the signed note agreement or promissory note to this form or this agreement will not be valid.

Part IV

By signing this agreement, you are agreeing to:

- Authorize the escrow officer to withhold only on the down payment,
- Withhold $3\frac{1}{3}$ percent on all subsequent installment payments,
- Complete Form 597, *Real Estate Withholding Tax Statement*, for each payment and send one copy to the Franchise Tax Board with the withholding, and two copies to the seller,
- Send each withholding payment by the 20th day of the month following the month of the installment payment, and
- Promptly inform the Franchise Tax Board if the terms of the installment sale, promissory note, or payment schedule changes.

If you sign this agreement, make a copy of this form. Make sure you copy the back so you will have the instructions for withholding on subsequent payments. Give the original, with a copy of the promissory note, to your escrow officer. When you make subsequent installment payments, withhold $3\frac{1}{3}$ percent of the payment. You must complete Form 597 for each payment. When you send the withholding on the final installment payment, write "Final Installment Payment" on the bottom of Form 597. You can get Form 597 by:

Internet: www.ftb.ca.gov

Phone: (888) 792-4900

Mail: TAX FORMS REQUEST UNIT
FRANCHISE TAX BOARD
PO BOX 307
RANCHO CORDOVA CA 95741-0307

We update our forms annually, so please make certain you use the most current form. For more information on withholding on the installment payments, see the instructions for Form 597 or call the Withholding Services and Compliance Section at (888) 792-4900 (toll-free) or (916) 845-4900 (not toll-free).

Escrow Officer Instructions

If the buyer has agreed to withhold on each payment instead of withholding on the full amount at the time of transfer, withhold $3\frac{1}{3}$ percent of the down payment. Make a copy of this form for your records. Attach the original Form 593-I and the copy of the promissory note to Copy A of Form 597, and send to Franchise Tax Board with the withholding on the down payment. Refer to the Form 597 instructions for further information.